



National Aeronautics and  
Space Administration

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# **Subcommittee on Civil Service Committee on Post Office and Civil Service**

## **U. S. House of Representatives**



Statement by Dr. Harriett G. Jenkins, Assistant Administrator for  
Equal Opportunity Programs

98th Congress

STATEMENT OF DR. HARRIETT G. JENKINS  
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National Aeronautics and Space Administration  
on the  
SENIOR EXECUTIVE SERVICE  
before the  
SUBCOMMITTEE ON POST OFFICE AND CIVIL SERVICE  
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Madam Chairwoman and Members of the Subcommittee:

Thank you for inviting me to share my views and impressions of the Senior Executive Service (SES). I sincerely hope that my testimony will be of some assistance to you as you review five years of operation of the system.

I have more than cursory interest in the subject. I was a member of the President's Reorganization Personnel Management Review Project which made the recommendations that resulted in the Civil Service Reform Act (CSRA). I served as Chair of the Affirmative Action Task Force, which was one of nine task forces that conducted wide surveys of numerous organizations and individuals before making recommendations. I also had an opportunity to participate in the rigorous review and winnowing out process of all of the recommendations that were submitted by the Project, including those pertaining to the SES.

After the CSRA became law, I was part of the team at NASA that helped plan and implement the new processes. NASA did so well in civil service reform implementation that the agency received the Udall/Derwinski Award for initiative, excellence and leadership in its conversion to the SES. We were particularly complimented for our maximum involvement of the NASA senior executives from our nationwide installations, for the design of our performance appraisal system, and for our training packages and expertise which were freely shared with other Federal agencies.

Since 1980, I have served as a permanent member of NASA's Executive Resources Board which makes policy recommendations to NASA's Deputy Administrator on qualifications, recruitment, management of position allocations, executive development, performance appraisal and compensation. In addition, I also have had the privilege of serving on the Performance Review Boards of the Equal Employment Opportunity Commission and the Civil Rights Commission.

My perception of the SES is that it has been a good system. Its original purposes were noble and well intended: "to ensure that the executive management of the Government of the United States is responsive to the needs, policies and goals of the Nation and otherwise is of the highest quality." (5 USC 3131) This CSRA

section which establishes the SES is followed by fourteen parameters of how the SES is to be administered in order to achieve the above objective. I feel that we at NASA implemented and carried out all of those parameters very effectively, within the limitations placed upon us. However, I feel that the government did not live up to the expectations engendered by 5 USC 3131(1), which was to provide a compensation system, including salaries, benefits and incentives, to attract and retain highly competent senior executives. Further, I feel that the government actually reneged on the provisions of 5 USC 5384(3) which permitted performance awards numbering up to 50% of SES positions in the agency; and I sense that many executives feel that our trust in the SES legislation was breached.

NASA certainly has carried out its part of the legislative requirements. The agency has consistently appointed career executives to the SES who can effectively and efficiently implement agency policies and responsibilities and provide program continuity. The agency has established a performance evaluation system and has based compensation on performance; it has required SESers to be accountable for honest, economical and efficient government, as well as for the effectiveness and productivity of the employees under them; and it has recognized as many exceptional accomplishments as was possible given the subsequent restrictions imposed on the system.

NASA has maintained a merit system free of prohibited personnel practices; and the agency has not been subjected to improper political interference. NASA has used the flexibility of the system in assigning persons without arbitrary or capricious actions. Most of the reassignments occur because of reorganizations or the completion of programs or projects. In most cases the actual responsibilities do not change that much. The agency has complied with all applicable civil service laws, rules and regulations, including those related to equal employment opportunity, political activity, and conflicts of interest.

NASA has provided for initial and continuing systematic development of highly competent senior executives. The agency has always had an excellent array of training and development programs for all employees; and additional care has been given to developing learning experiences for and encouraging the use of outstanding intermediate and long-term training for potential and current SES executives. Two NASA executives are participating in sabbatical leaves to pursue independent study in cardiovascular and geophysical research, respectively.

In contrast, the government has not provided compensation for members of the SES that is commensurate with executive pay in the private sector; and this is particularly critical for scientists, engineers and others who are managing government programs and projects worth millions of dollars. This makes it more difficult for NASA to retain its outstanding executives or to attract comparable replacements.

On May 29, 1981, Chairwoman Schroeder, Dr. Alan Lovelace, then Acting Administrator of NASA, responded to your letter of April 14, 1981, which asked about the "brain drain" in NASA and the large loss of its people through retirement and acceptance of positions in private industry. Dr. Lovelace responded that the pay ceiling was probably the major single factor contributing to NASA's retention difficulties.

The following statistics confirm that there is indeed a need to be concerned:

<u>Year and Situation</u>	<u>SESers Who Left</u>	
	<u>No.</u>	<u>%</u>
<u>FY 1979</u> - Pay cap of \$47,500 had not been increased for several years, but improvement was anticipated with the new CSRA/SES which began July 1979.	57	12.4%
<u>FY 1980</u> - Pay cap was raised to \$50,112 in October 1979 - some managers were insulted and gave up when such a small increase was granted after so many years of no raises at a time of continuing increases in cost of living and inflation.	74	16.9%
<u>FY 1981</u> - A raise in the pay cap was talked about and projected for FY 1982.	54	12.4%
<u>FY 1982</u> - Pay cap was raised to \$58,500 in January 1982.	48	11.5%
<u>FY 1983</u> - Pay cap was lifted in December 1982.	28	6.5%

I conclude from the above that the attrition rates of NASA's talented executives seemed to lessen over the past five years when there were projections of or actual raises in the pay caps. We currently are concerned that inadequate compensation, restrictions on bonuses, plans to alter the Federal retirement system, and other negative barbs that are directed at the Federal worker, may contribute to another exodus either later this year or early in 1985.

It should be noted, of course, that NASA has always attracted and generally has retained a cadre of executives who are dedicated to public service and the kinds of work that can be done only in this aeronautics and space agency. Nevertheless, it cannot be ignored that the scientific and engineering education and unique experiences of these executives are exactly what makes them so attractive to aerospace and other industries. Consequently, when the executive is faced with substantial increases in expenses, such as college tuition costs for one's children, he or she can no longer afford to make the personal sacrifices of taking less money as a Federal executive than one can make in the private sector.

The Federal government also breached its trust when legislation was utilized to limit the number of bonuses that could be awarded during a year, and still further reductions were placed on bonuses through guidelines issued by OPM. I am pleased that OPM guidelines, at least, have now been raised to a 30 to 35 percent limit; but I still do not understand why we do not simply implement 5 USC 5384(3) as written, which allows the number of bonuses awarded to be up to 50 percent of the agency's allotted SES positions. The most recent GAO report on the SES, dated December 30, 1983, "Testimony of the Comptroller General on the Impact of the Senior Executive Service" which you sent to us along with your invitation to appear, indicates on page 14 that "increasing the number of bonuses to 40 percent of the career SES members would cost \$14 million. Increasing the number to 50 percent would cost \$18 million." The Comptroller General goes on to say that "such increases are small in relation to the Federal payroll but could do much to alleviate SES members' negative views on the bonus program and help achieve the act's goals."

I heartily agree with those comments and would further recommend that your committee consider such options as raising the limit and allowing the number of bonuses awarded to go up to 80 percent of SES positions while restricting the dollar amount expended, or removing the limit on SES positions completely while restricting the dollar amount to be expended for performance awards.

It also should be noted that the past five years of pay caps served to limit the monetary awards which were supposed to accompany the Distinguished Presidential Ranks. For instance, an ES-6 who won the Distinguished Presidential Rank during the past five years did not get to receive the full monetary award of \$20,000 which accompanied the rank, because to do so would have caused him or her to rise above that upper limit that the executive is permitted to receive.

Consequently, Chairwoman Schroeder, in response to your basic concern about what the SES has done to improve or reduce the productivity of the Federal government, I feel that the SES system and its accompanying processes have contributed to improved productivity, but that the problems mentioned above have served as demotivators and have marred the full potential of the system.

NASA established an extensive performance evaluation system in 1979 when beginning the SES. The agency conducted an internal self-evaluation of that system in 1982 by personal interviews of 34% of the on board SES workforce, including representatives from all major organizational units and all Associate Administrators and Center Directors, the key line managers of the agency. Those managers indicated that the greatest strength of the appraisal process was that it forced mutual understanding, communication, the setting of objectives and provision of feedback to one's employees. They also recommended that the SES appraisal process be kept because it was a good management tool, despite the enormous amount of paperwork required. The respondents indicated that the major weakness of the

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system was the limit on bonuses. They recommended that the pay cap and total compensation limits be removed, and not only that we return to the 50% bonus limit, but that the bonus limit should be increased to 80%.

As well managed as NASA is, the agency continues to look for ways to operate more effectively and efficiently. In its study over the past two years of some of the most productive firms in private industry, NASA has learned that higher percentages of bonus recipients are frequently a characteristic of some of the best managed companies in the country. I feel that if we wish to select and retain some of the best talent in the Nation to manage our Federal entities, then we have to provide compensation, benefit and incentive packages which reflect that objective; and messages about the quality, dedication and value of the Federal worker have to be more positive.

Thank you very much for the opportunity to appear before you this morning.